

Message Text

CONFIDENTIAL

PAGE 01 LISBON 05512 181652Z
ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 SP-02 L-01
EB-04 INR-05 CIAE-00 TRSE-00 EURE-00 /040 W
-----101985 181705Z /53
P 181620Z JUL 77
FM AMEMBASSY LISBON
TO SECSTATE WASHDC PRIORITY 2241

C O N F I D E N T I A L LISBON 5512

LIMDIS

PASS TREASURY FOR SYVRUD

E.O. 11652: GDS
TAGS: EFIN PO
SUBJECT: FOREIGN EXCHANGE CRISIS

1. SOARES TOLD ME TODAY, JULY 18, THAT WITH BIS LOAN, GOP HOPED TO PUT OFF CRISIS UNTIL MID-AUGUST. CONVERSATIONS WITH THE IMF WOULD START TOMORROW AND HE WAS HOPEFUL SOME RELIEF COULD BE WORKED OUT. NEVERTHELESS, RENEWED PROBLEMS WOULD EXIST IN SEPTEMBER AND PORTUGUESE GOLD WOULD HAVE TO BE SOLD. THIS WOULD ADD TO THE GOVERNMENT'S POLITICAL PROBLEMS.

2. IN THIS CONNECTION, SOARES NOTED THAT ESF GOLD REPAYMENT WAS DUE AUGUST 1. AT SOME POINT IT WOULD BE NECESSARY FOR HIM TO EXPLAIN GOLD SITUATION AND FORTHCOMING SALES TO LEADERS OF DEMOCRATIC OPPOSITION, BUT HE HESITATED TO DO SO DURING INTENSE AND AT TIMES HEATED NEGOTIATIONS ON KEY LEGISLATION. HE WONDERED IF IT WOULD BE POSSIBLE FOR US TO POSTPONE ESF REPAYMENT FOR APPROXIMATELY FIFTEEN DAYS UNTIL THE MIDDLE OF AUGUST. I TOLD HIM I HAD ALREADY DISCUSSED THIS WITH FINANCE MINISTER WHO WAS SENDING ME A LETTER WHICH I WOULD FORWARD TO WASHINGTON.

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3. OTHER THAN THE ABOVE REQUEST, SOARES DID NOT ASK ANY DIRECT ASSISTANCE FROM US. I HAD IMPRESSION THAT HE SOMEHOW HOPES GOP CAN NOW SQUEAK THROUGH WITHOUT SUCH A REQUEST, BUT AT THIS POINT THIS IS FAR FROM A CERTAINTY.
CARLUCCI

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NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE, FOREIGN EXCHANGE CRISIS, FINANCIAL PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Jul-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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From: LISBON
Handling Restrictions:
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ISecure: 1
Legacy Key: link1977/newtext/t19770748/aaaaboxa.tel
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Litigation Codes:
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Message ID: 03921d68-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
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Status: NATIVE
Subject: FOREIGN EXCHANGE CRISIS
TAGS: EFIN, PO
To: STATE
Type: TE
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